

FISCAL NOTE

HB 2213 – SB 2308

March 28, 2007

SUMMARY OF BILL: Authorizes the State Funding Board to enter into an agreement to guarantee the principal and interest on the revenue bonds of the Northwest Tennessee Regional Port Authority in an aggregate principal amount of up to \$16 million for a term not to exceed 20 years.

ESTIMATED FISCAL IMPACT:

Decrease Local Govt. Expenditures - \$53,000

Other Fiscal Impact – By guaranteeing bonds for the port authority, the state would be required to appropriate approximately \$1,230,000 for annual debt service on the bond issuance. However, such funds would not actually be spent unless the port authority defaults on the obligation to repay such bonds.

Assumptions:

- Debt service has been calculated assuming \$16,000,000 over a period of 20 years on a non-taxable basis at an AA general obligation rate of 4.5%.
- Such bonds would not be subject to the pledge of special taxes as is the case with state general obligation bonds.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White".

James W. White, Executive Director

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